

## **RSC Policy Brief: ObamaCare – Six Months of Disappointments**

*September 23, 2010*

Remember when Speaker Pelosi famously stated:

**“We have to pass the bill so that you can find out what is in it.”**

Well, surprise! Promises weren't kept, new alarming provisions were discovered, and the public likes it even less.

Below is a month-by-month breakdown of some of the major discoveries and revelations of ObamaCare.

### **March** [ObamaCare Passes](#)

### **April**

CMS Office of the Actuary's [Report](#) is released which finds that, among other things, ObamaCare will increase rather than decrease national health expenditures (NHE) by \$311 billion; Medicare cuts are unrealistic and unsustainable; it does not improve the solvency of Medicare; high risk pools will run out of money; seniors who like what they have will not be able to keep it as enrollment in Medicare Advantage would be reduced by a staggering 50%, and; the new government long term care insurance, the CLASS Program, will “face a significant risk of failure” and will result in an “insurance death spiral.”

### **May**

The temporary SGR patch or “doc fix” - that the Democrat majority did not include in their nearly 3,000 page bill (despite clearly being central to the largest federal health care program, Medicare) – expires at the end of May, leaving physicians, the very individuals who provide care for Americans, scrambling.

[CBO](#) finds that ObamaCare will cost \$115 billion more in discretionary spending.

### **June**

The Administration releases its Fact Sheet on the “Patients’ Bill of Rights” regulations that among other things, threatened the ability for companies to offer limited medical benefit plans to 1.4 million individuals, [raises premiums](#) for everyone due to additional mandates that the Administration estimates will benefit about 200,000 individuals (less than half of the number of individuals who will not have access to the new high risk pools due to underfunding). Additionally, the new Federal requirements on insurers are duplicative of existing state regulations, mandate that individuals must be uninsured for six months in order to be eligible for the new high risk pools (thus penalizing those who have been responsible and maintained coverage such as COBRA).

The Administration releases its [“Grandfathered” Regulations](#) which, by their own calculations, guarantee that 51% of employees cannot keep their current coverage (even if they like it).

## July

On July 1, 2010, HHS announces information on high risk pools and web portals yet is [silent](#) on the first tax to go into effect – the 10% tanning tax.

HealthCare.gov, [Taxpayer Funded Propaganda](#) is launched.

The IRS' own [National Taxpayer Advocate](#) finds that ObamaCare tax requirements “may impose significant compliance burdens on businesses, charities, and government agencies.” The report found that the provision would affect four times the number of businesses that would be eligible for the highly touted small business tax credit and the burdens “may turn out to be disproportionate as compared with any resulting improvement in tax compliance.”

Democrats [vote](#) to repeal the first provision of ObamaCare – the Form 1099 tax reporting requirements.

## August

The Medicare Trustees release their annual [report](#) - however, according to CMS Actuaries prepared an [alternative scenario](#) as “the projections shown in the report do not represent the best estimate of actual future Medicare expenditures.” The alternative scenario found, among other things, that if left unchanged, “by the end of the 75-year period, Medicare payments would be only one third of the relative current private health insurance prices and half of those for Medicaid” and due to provider productivity adjustments in ObamaCare “the number of facilities, agencies and hospitals with negative margins would be increased to 35% in 2030 and 40% in 2050.”

[CBO](#) finds that ObamaCare will reduce, rather than increase jobs by raising the price of labor and giving people strong financial disincentives to work.

## September

Numerous stories come out about businesses and insurers facing premium [increases](#) and elimination of [choices](#) as a direct result of ObamaCare.

CMS Actuaries release an [August update](#) on cost – showing that health care spending will grow by 6.3 percent annually during the next decade (0.2 percentage points more per year than the February estimates) and in 2019 is projected to be 0.3 percent higher than the February estimate – reaching 19.6% of GDP, or nearly one-in-five dollars out of the American economy.

CMS [announces](#) 2011 Part D and Medicare Advantage Plan Options showing that – despite the flashy sound bites that Medicare Advantage rates will go down by 1% in 2011 – co-payments and deductibles will go up, 1.2 million seniors will be forced out of their current plans (with 2,300 unable to re-enroll) due to plans dropping out of the program as a result of MIPPA. This being just the beginning of what is to come with ObamaCare.

[The Heritage Foundation](#) releases new findings that show by 2017, Medicare Advantage beneficiaries will lose an average of \$3,714 as a direct result of Medicare Advantage cuts in ObamaCare and indirect result of reductions in traditional Medicare's spending.

President Obama finally [admits](#), “As a consequence of us getting 30 million additional people on health care, at the margins that's going to increase our costs. We knew that.” [Really?](#) *You could have fooled us.*

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